

HVLA House Assessments 1970-2019 And Reserve Deficits

Year	Assess.	% Increase
1970	\$5	
1988	\$84	NA
1999	\$810	NA
2000	\$855	5.6%
2001	\$940	10%
2002	\$1,050	11.7%
2003	\$1,195	13.8%
2004	\$1,305	9.2%
2005	\$1,410	8.0%
2006	\$1,495	6.0%
2007	\$1,585	6.0%
2008	\$1,695	6.94%
2009	\$1,695	- 0 -
2010	\$1,695	- 0 -
2011	\$1,695	- 0 -
2012	\$1,730	2.12%
2013	\$1,800	4.05%
2014	\$1,836	2.0%
2015	\$1,884	2.6%
2016	\$1,932	2.55%
2017	\$2,016	4.34%
2018	\$2,220	5.16%
2019	\$2,376	7.03%

2000-2019 Average Dues Increase = 5.15% Per Year
Average Cost-of-Living Increase 2.5%

2018 Reserve Fund Balance (Actual) = \$6,713,984
CPA, Owens & Assoc. - Reserves at 27% Funded

Full-Funding Should Be (Dec. 31, 2018) = \$24,866,607

Where's the "Missing" Difference - \$18,152,623 ???

REALITY:

A **FAILURE to Adequately Think and Plan Ahead** has existed for YEARS in HVLA. If HVLA Boards from 2008-10 had continued assessment increases at just 2.5% (instead of 0% increases), AND had put more into Reserve Funds (instead of covering Golf LOSSES), we could have lower assessment increases NOW! AND, our Reserves would be much more adequate today!

#1 Cause: HVLA has allowed its Golf Ops. to continue doing business without a "Business Plan" and incurring losses of about \$560,000 per year (Actual Loss of about \$10 Million 2001-2018). **LOSS = \$10,000,000.**

#2 Cause: Assessment delinquencies and collections have been highly problematic since the mid-1990's, i.e., high delinquencies and low collections. Assn. efforts to improve this have varied. Bad Debt Expense from 2010 to 2018 has averaged \$675,600 per year, while Collections have averaged \$186,200 per year. A Collection Rate of 28%. In other words, over \$4,400,000 was lost to Bad Debt! **LOSS of \$4,400,000.**

#3 Cause: HVLA Boards during 2008-10 did not increase assessments (3 years at 0% increase), and the Board of 2011 only raised assessments 2.12%, an increase of 4.05% was necessary for 2013. But then, the Board of 2013 raised assessments only 2.0% for 2014, again not anticipating future need. **Approx. LOSS = \$2,900,000.**

#4 Cause: HVLA Boards from 2001 to 2016 allowed the Greenview/Mulligan's to operate without a "Business Plan", i.e., minimal controls over revenue/costs. Note: The current manager (Matt Metcalf) has improved this significantly. **Losses from 2001 to 2016 were about \$2,860,000.**

#5 Cause: Despite the fact that HVLA got a new CPA firm in 2014, "Audits" have still only technically been "Reviews" (CPA looks just a little below skin-deep), and HVLA's 2018 one was only a "Compilation" (CPA just checks the format and math). HVLA has been in need of a **Forensic Audit** since the early 2000's!

Who were the Key Board Officers during 2008-14?

.....**Presidents:** Bill Surber ('10-11), Bill Waite ('12-15)

.....Vice Presidents: Cheri Johnson ('09), Bill Waite ('10-11), Bill Surber ('12-13)
Bob Cummesky ('14)

.....Treasurers: Diana Marshall ('08-12), Rick Munroe ('13), Susan Cameron ('14)

Several of these people are STILL actively involved in HVLA politics.

HVL Owner Advocate - <http://www.hvlowneradvocate.x10host.com>